

Port of Anacortes

**Regular Commission Meeting
And Public Hearing – 2010 Budget
And Executive Session
November 5, 2009**

The Port Commission of the Port of Anacortes held its regular business meeting at 7:00 P.M. on the evening of November 5, 2009. This was a regularly scheduled Commission Meeting held in the Commission Meeting Room of the Port Main Warehouse Building, 1st & Commercial Avenue, Anacortes, Washington.

In Attendance: Commission President Rubin, Commission Vice-President Mooney, Commission Secretary Niver, Commissioner Hopley and Commissioner Short.

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Director of Operations & Facilities Hachey, Director of Engineering Elsner, Marina Manager Fowler, Accounting Manager Behan, Project Manager Estvold, and Administrative Coordinator Lindsey.

CALL TO ORDER

At 7:00 P.M. Commission President Rubin called the regular meeting of November 5, 2009, to order and welcomed all in attendance. Commissioner Rubin announced that following the second Public Comment period on the regular portion of the agenda, the Commission would enter into Executive Session for the purpose of discussing a litigation matter. The Executive Session was anticipated to last for one hour and he noted action might or might not be taken.

PUBLIC HEARING – 2010 BUDGET

Commissioner Rubin opened the floor for public comment on proposed 2010 budget. Hearing no one with a desire to address the Commission, the floor was closed.

Commissioner Rubin called on Executive Director Hyde who introduced Director of Finance & Administration Johnson. Director Johnson provided the Commission with a presentation of the proposed 2010 budget.

Director Johnson reviewed the principal highlights of the budget:

1. No increase to permanent moorage rates
2. No CPI increase
3. Maintain current staffing levels
4. Continuation of the Scott Site clean-up as scheduled
5. Taxes at the same level as 2009

Director Johnson presented the operating revenues and expenses and general and administrative revenues and expenses and total net income as follows:

Operating Revenues		Operating Expenses	
Airport	\$ 268,200	Airport	\$ 70,597
Property Rentals	\$1,350,376	Property Rentals	\$ 271,786
Marine Terminal	\$3,440,900	Marine Terminal	\$1,938,097

<u>Cap Sante BH</u>	<u>\$5,582,690</u>	<u>Cap Sante BH</u>	<u>\$2,913,979</u>
Total	\$10,642,166	Total	\$5,194,277

Operating Revenues	\$10,642,166
Operating Expenses	(\$ 5,194,277)
G & A	(\$ 2,064,496)
Operations	(\$ 701,546)
Depreciation	<u>(\$ 1,970,535)</u>

Net Operating Income	\$ 711,312
Capital Grant	\$ 1,267,500
Net Non-Op Expense	(\$ 83,328)
Net Environmental Activity	<u>\$13,811,600</u>

Net Income \$15,707,084

Director Johnson noted the net income figure represented funds that are related to environmental expenses and recoveries and are not funds that are available for the Port to spend. Director Johnson had reviewed the GASB 49 accounting regulations that require this method of reporting at prior commission meetings.

ACTION ITEMS

Resolution No. 1205 – Certifying the 2009 Tax Levy for collection in 2010 to be \$530,000

This resolution requested Commission authorization and certification of a tax levy for collection in 2010 in the amount of \$530,000. This is approximately \$750,000 less than the amount the Port is authorized to collect under Washington State law. The 2010 levy is anticipated to be used for Industrial and Municipal Stormwater Compliance, Small Boat Hoist at Cap Sante Boat Haven, and Cathodic Protection.

Commissioner Rubin called for any questions from the Commission. Hearing none, he called for a motion.

Commissioner Hopley moved to adopt Resolution No. 1205 authorizing and certifying a tax levy for collection in the year 2010 in the amount of \$530,000 pursuant to Referendum 47 (RCW 84.55.120). Commissioner Short seconded the motion. Commissioner Rubin called for any discussion and hearing none, called for a vote on the motion, which carried unanimously.

Resolution No. 1206 – Protecting Levy Capacity

This item requested Commission approval of Resolution No. 1206, which protects the Port's future levy capacity. For 2010, the Port Commission has chosen to levy a tax that is substantially less than the levy capacity. In order to have the ability to levy up to the capacity plus the limit factor of 1% in the future, the Commission would need to approve a resolution each year to do so.

Commissioner Rubin called for any questions from the Commission. Hearing none, he called for a motion.

Commissioner Short moved to adopt Resolution No. 1206 that authorizes an increase in the limit factor for maximum levy capacity pursuant to Section 204 of Referendum 47 (RCW 84.55.0101). Commissioner Niver seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

Resolution No. 1207 – Establishing the 2010 Final Budget

This item requested Commission adoption of the final Port budget for 2010.

Commissioner Rubin called for any questions from the Commission. Hearing none, he called for a motion.

Commissioner Short moved to adopt Resolution No. 1207, establishing the 2010 final budget. Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

SPECIAL GUEST

Executive Director Hyde introduced Mr. Cliff Verhoeff of the Snohomish Artists Guild, promoter of the summer concert series at the Boat Haven. Mr. Verhoeff thanked the Commission for their support of the concert series, noting the increased attendance this past summer, and the improvements to the site. The 2010 series has 4 of the 5 acts already booked and fundraising efforts are underway. He suggested the Port consider opening up whatever space the concert series uses to other community groups such as dance and theatre performances, noting SAG would allow their stage to remain throughout the summer. Mr. Verhoeff requested that the Commission consider sponsoring and evening. Cost to do so is approximately \$3,000.

The Commissioners thanked Mr. Verhoeff for his presentation.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda. Hearing no one desiring to address the Commission, the floor was closed.

CONSENT AGENDA

Commissioner Rubin called for any objections to the consent agenda. He noted he would like to pull item number five in order to hear a staff presentation on the improvements to Warehouse No. 4. Commissioner Mooney wished to speak in regards to item number 4, Resolution No. 1208. Both items were removed from the consent agenda and placed on the regular agenda.

Commissioner Rubin read the remaining consent agenda items: Approval of Minutes of the Regular Meeting of October 1, 2009, the Regular Meeting Work/Study Session of October 15, 2009, and Special Meeting of October 29, 2009; Approval of Vouchers No. 10 -1 through 10 - 202 totaling (\$2,437,734.60); and Approval of the September 2009 Treasurer's Report totaling \$10,996,968.34. Commissioner Rubin called for a motion for approval. Commissioner Short moved to approve the consent agenda. Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

REGULAR AGENDA

Resolution No. 1208 – Adopting a Policy on Energy and Resource Conservation

Commissioner Rubin called for a motion prior to discussion. Commissioner Short moved to approve Resolution No. 1208, adopting a policy promoting energy and resource conservation. Commissioner Niver seconded the motion. Commissioner Rubin called for discussion.

Commissioner Mooney stated that he feared the resolution was too far reaching and that new, “green”, technology was untested. He was also concerned with the potential costs that could be involved with adherence to the policy.

Commissioner Niver noted that the second “Whereas” paragraph addressed that, noting the wording stated the Port would consider and examine, as well as make the best use of resources, all of which addressed Commissioner Mooney’s concerns.

Hearing no other discussion, Commissioner Rubin called for a vote on the motion, which carried unanimously as written.

Project Acceptance of the Construction Contract for Warehouse No. 4 Pile Repair, Project #PROP-01F (a JDF Project) -

Executive Director Hyde introduced Project Manager Estvold, who provided the Commission with a slide presentation detailing the repair of pile beneath Warehouse No. 4. Manager Estvold explained that the project was actually made up of two projects – one replacing the damaged pile from the deck up and one replacing or reinforcing pile from the deck down. He noted that the Port and tenant Dakota Creek Industries had been unable to use forklifts in the the warehouse had been for a number of years due to the instability of the damaged pilings below it. Certain areas were also cordoned off for use of any kind. The project identified 18 pile that required replacement or repair. Manager Estvold explained the various techniques used in replacing and repairing the pile. Marine Structures engineer, Kelly LeFave and Carlson Construction, Inc. performed the inspection and repair. All work was completed within the \$169,390.55 amount authorized for the project. Warehouse No. 4 can once again support forklifts with normal loads and can be fully used for storage.

Following a brief discussion of the exterior colors of the Warehouse, Commissioner Rubin called for a motion. Commissioner Hopley moved to accept, as complete, the construction contract with Carlson Construction for Warehouse No. 4 pile repair, Project #PROP-01F a SW1. Commissioner Short seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

COMMISSION DISCUSSION

Commissioner Rubin called for any discussion by members of the Commission.

Commissioner Short reported on the on-going discussions among the small boating association (SBA). The SBA is writing a letter of intent as to what they would like to see in buildings at the Seafarers’ Park and at the Marina’s north end. Commissioner Short noted that the desires of the group had also been a topic of discussion at Port/City liaison meetings.

Executive Director Hyde noted that consultant Carletti & Associates has been reviewing the various options for the Scott site and staff will bring the numbers back to the Commission with 4-5 scenarios and cost estimates at a later date.

COMMUNICATIONS

Executive Director Hyde reported on the following:

Community Tours: The next Project community tour is scheduled for November 9th at 4:00 p.m. and will tour the Dakota Creek and Scott site projects.

Anthony's Restaurant: The groundbreaking ceremony for Anthony's is scheduled for Friday, November 13th at 11:30 a.m.

Channel 21: Staff has been in communications during the past year with Skagit County regarding the replay of our Commission meetings on the County Government Access Channel 21 and also via streaming video. The County has the server capacity necessary for the video option. The Port presently airs Commission meetings via Comcast's City of Anacortes Public Access Channel 10. Channel 21 would cover those areas which Channel 10 does not, including the southern portion of Fidalgo Island and the Bayview area. With streaming video, people could pull up Port meetings via a link from the county's website. The estimated cost is \$700 per month. The cost for Channel 10 is usually \$200 per month. Executive Director Hyde asked for feedback from the Commission as to whether they would like staff to move forward with Channel 21. The Commission's consensus was in favor of doing so. Staff will prepare an action item for the Commission's next regular meeting in December.

Prilled Sulfur Test Shipment: The Port's test shipment of prilled sulfur was very successful. More than 50 people, mostly neighbors of the marine terminal, attended the test shipment and input from the community has been largely positive with only two complaints.

Commissioner Hopley noted that a representative of the Northwest Clean Air Agency had been present during the test shipment and inquired whether they had monitored the loading. Executive Director Hyde explained that a representative of NWCAA had indeed been in attendance and noted no concern, so did not monitor the test. Commissioner Niver affirmed that he had spoken to the NWCAA representative and that she'd had no concerns. Commissioner Hopley inquired whether the Port would receive written documentation that notes the lack of concern by NWCAA. Executive Director Hyde will request it. He noted that permitting is the next phase, followed by the preparation of a SEPA.

Commissioner Short inquired if any modifications were required for the trucks delivering the prilled sulfur. Executive Director Hyde noted there were a few modifications that would be available on newer trucks which would be used once operations were finalized. Trucks that are presently used for delivering petroleum coke to Pier 2 were used for the test and they worked just fine.

Scott Site Update: Executive Director Hyde introduced Director of Engineering Elsner, who provided the Commission with an update on the Scott Site environmental cleanup project. Director Elsner showed photos of various aspects of the project, including dredging photos. Dredged wood debris that is greater than 2'x2' is not suitable for open water disposal and must go to Pier 2 for handling preparation for separate disposal. At the tented facility on Pier 2, wood and other sediments are characterized and those non-contaminated sediments are taken by barge for open-water disposal, while wood debris and other the remaining sediments are loaded onto trucks for upland disposal. Director Elsner explained that 60% of the materials from the Scott Site are suitable for immediate open water disposal, while 40% are removed to Pier 2 for handling and of that, approximately 10-12% can be recovered, reducing the costs for upland

disposal. The wood debris is not toxic or contaminated. It will be ground up and then sent to a land fill. Sheet pile walls have been put into place prior to the excavations. The in-water phase of the project is moving along quickly with rock coming next week.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule.

Members of the Commission and staff will attend the Washington Public Ports Association Annual Meeting November 18-20, 2009. The November 19th regularly scheduled third Thursday meeting is cancelled. The next Regular Port Commission Meeting will be held December 3, 2009, at 7:00 P.M.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the public comment period for items not on the regular agenda. Hearing no one with a desire to address the Commission, the public comment period was closed.

EXECUTIVE SESSION

Commissioner Rubin announced that the Commission would take a brief recess and then enter into Executive Session for the purpose of discussing a litigation matter. The Executive Session was anticipated to last for one hour and he noted action might or might not be taken. Following a ten minute recess, the Commission entered into Executive Session at 8:01 p.m. At 8:38 p.m. the Commission came out of Executive Session and resumed the regular meeting. Commissioner Rubin requested a motion regarding the litigation matter discussed. Commissioner Niver moved to authorize the Executive Director to execute the Settlement Agreement between the Port of Anacortes and RE Sources. Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Short moved to adjourn, which was seconded by Commissioner Mooney. Commissioner Rubin called for the vote on the motion, which carried unanimously and at 8:41 P.M. the meeting adjourned.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice-President

Ray Niver, Secretary

Steve Hopley, Commissioner

William L. Short, Commissioner

Julie Johnson Lindsey, Administrative Coordinator
November 5, 2009